

Exhibit H

U.S. Railroad Retirement Board www.rrb.gov

RAILROAD RETIREMENT and SURVIVOR BENEFITS



U.S. Railroad Retirement Board

MISSION STATEMENT

The Railroad Retirement Board's mission is to administer retirement/survivor and unemployment/sickness insurance benefit programs for railroad workers and their families under the Railroad Retirement Act and the Railroad Unemployment Insurance Act. These programs provide income protection during old age and in the event of disability, death or temporary unemployment and sickness. The Railroad Retirement Board also administers aspects of the Medicare program and has administrative responsibilities under the Social Security Act and the Internal Revenue Code.

In carrying out its mission, the Railroad Retirement Board will pay benefits to the right people, in the right amounts, in a timely manner, and will take appropriate action to safeguard our customers' trust funds. The Railroad Retirement Board will treat every person who comes into contact with the agency with courtesy and concern, and respond to all inquiries promptly, accurately and clearly.

INTRODUCTION

The Railroad Retirement Act is a Federal law that provides retirement and disability annuities for qualified railroad employees, spouse annuities for their wives or husbands, and survivor benefits for the families of deceased employees who were insured under the Act. These benefit programs are administered by the U.S. Railroad Retirement Board (RRB). It also administers the Railroad Unemployment Insurance Act, and has administrative responsibilities under the Social Security Act for certain benefit payments and railroad workers' Medicare coverage.

This booklet describes the retirement and disability annuities provided for employees under the Railroad Retirement Act, and the benefits available to their spouses and survivors. Medicare and unemployment-sickness insurance benefits are described in separate publications.

The information in this booklet supersedes earlier editions. If you have any questions about the information in this booklet, or if you want one of the RRB's publications on Medicare or unemployment and sickness insurance benefits, call the RRB toll-free at 1-877-772-5772. Agency field office representatives will be glad to answer your questions and explain your benefit rights. Cities with these offices are listed at the back of this booklet.

In addition, through automated menus available 24 hours a day, you can find the address for the field office serving your area and listen to special announcements about the agency's benefit programs. You can also request

a replacement Medicare card, a letter showing your current monthly benefit rate, a replacement tax statement for the most recently completed tax year, or a statement of creditable railroad service and compensation. Information on unemployment-sickness claims is also available.

The services listed above, and others, are also available by visiting the RRB's website at www.rrb.gov, selecting "Beneficiaries & RR Employees," and clicking on "Benefit Online Services." Other online services allow users to get annuity estimates, apply for or claim unemployment benefits, claim sickness benefits, view their Railroad Unemployment Insurance Act account statement, and review their service and compensation history. In addition, many of the RRB's publications are available for viewing and downloading, as is information about benefit requirements and other topics of interest.

This booklet is issued for the purpose of general information. Certain limitations, exceptions, and special cases are not covered.

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EMPLOYEE AND SPOUSE ANNUITIES

BASIC SERVICE REQUIREMENT

The basic requirement for a regular employee annuity is 120 months (10 years) of creditable railroad service or 60 months (5 years) of creditable railroad service if such service was performed after 1995. Service months need not be consecutive, and, in some cases, military service may be counted as railroad service.

Credit for a month of railroad service is given for every month in which an employee had some compensated service for an employer covered by the Railroad Retirement Act, even if only one day's service is performed in the month. (However, local lodge compensation earned after 1974 is disregarded for any calendar month in which it is less than \$25.) Under certain circumstances, additional months of service may be deemed.

Covered employers include railroads engaged in interstate commerce and some of their subsidiaries, railroad associations and national railway labor organizations.

Railroad retirement benefits are based on months of service and earnings credits. Earnings are creditable up to certain annual maximums on the amount of compensation subject to railroad retirement taxes.

RAILROAD RETIREMENT AND SURVIVOR BENEFITS

**AGE AND SERVICE, DISABILITY AND
SUPPLEMENTAL ANNUITIES**

An AGE AND SERVICE ANNUITY can be paid to:

■ *Employees with 30 or more years of creditable service.* They are eligible for regular annuities based on age and service the first full month they are age 60. Early retirement reductions are applied if the employee first became eligible for a 60/30 annuity July 1, 1984, or later and retired at ages 60 or 61 *before 2002.*

■ *Employees with 10-29 years of creditable service, or 5-9 years, if at least 5 years were after 1995.* They are eligible for regular annuities based on age and service the first full month they are age 62. Early retirement annuity reductions are applied to annuities awarded before full retirement age, which ranges from age 65 for those born before 1938 to age 67 for those born in 1960 or later, the same as under social security. Reduced annuities are still payable at age 62 but the maximum reduction will be 30 percent rather than 20 percent by the year 2022. The tier II portion of an annuity (as defined on page 9) is not reduced beyond 20 percent if the employee had any creditable railroad service before August 12, 1983. (See pages 49-53 for a detailed explanation of age reductions.)

An annuity based on age cannot be paid until the employee stops railroad employment, files an application and gives up any rights to return to work for a railroad employer.

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**Table 4. Employee Retiring with
Less than 30 Years of Service**

Year of birth	Full retirement age	Annuity reduction at age 62
1937 or earlier	65	20.00%
1938	65 and 2 months	20.833%
1939	65 and 4 months	21.667%
1940	65 and 6 months	22.50%
1941	65 and 8 months	23.333%
1942	65 and 10 months	24.167%
1943 through 1954	66	25.00%
1955	66 and 2 months	25.833%
1956	66 and 4 months	26.667%
1957	66 and 6 months	27.50%
1958	66 and 8 months	28.333%
1959	66 and 10 months	29.167%
1960 or later	67	30.00%

If an employee has less than 10 years of railroad service and is already entitled to an age-reduced social security benefit, the age reduction in his or her tier I will be based on the age reduction applicable on the beginning date of the employee's social security benefit, even if the employee is already of full retirement age on the beginning date of his or her railroad retirement annuity.

Age reductions are required in the tier I annuity amounts of 30-year employees who retired at ages 60-61